

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6620

BILL NUMBER: SB 405

NOTE PREPARED: Feb 3, 2014

BILL AMENDED: Feb 3, 2014

SUBJECT: Underground Utility Facilities.

FIRST AUTHOR: Sen. Yoder

FIRST SPONSOR:

BILL STATUS: 2nd Reading - 1st House

**FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL**

IMPACT: State & Local

Summary of Legislation: (Amended) *Location of Underground Facilities:* The bill amends the statute concerning the location and protection of underground utility facilities during excavation or demolition activities to require, with respect to an excavation or demolition in an unincorporated area, the excavator to submit a separate locate request and notice of the excavation or demolition to the Indiana Underground Plant Protection Service (IUPPS) for at least every 2,640 linear feet (versus every 2,500 linear feet under current law) of proposed excavation or demolition.

The bill provides that if an operator receiving notice of a proposed excavation determines that the operator is unable to: (1) locate and mark the operator's affected facilities not later than the expiration of the statute's mandated two-day period for doing so; or (2) mark the approximate location of the operator's affected facilities; the operator shall notify the excavator and provide additional information and, if requested, onsite assistance to the excavator.

Notice of Excavation or Demolition: The bill provides that a notice expires 20 days after the date the notice is submitted to the IUPPS. It provides that if, at the conclusion of the 20-day period, any part of the excavation or demolition is not complete at any part of the site for which the original notice was submitted, the excavator may not continue or resume the excavation or demolition until: (1) the excavator submits to the IUPPS a new locate request and notice for that part of the site for which the excavation or demolition is not complete; and (2) each affected utility operator provides facility locate markings for that part of the site for which the new locate request and notice are submitted.

Use of Mechanized Equipment: The bill provides that mechanized equipment may not be used to perform an excavation within two feet of either side of the outer limits of a facility unless the excavator meets certain

conditions. It provides that mechanized equipment may be used for the initial penetration and removal of pavement or other manmade hard surfaces if certain conditions are met.

Study Committee Topic: The bill urges the Legislative Council to assign to a study committee during the 2014 legislative interim the topic of the technology used to determine the elevation or depth, or both, of facilities subject to the statute. It provides that if a committee is assigned this topic for study, the committee shall not later than November 1, 2014, report its findings and recommendations to the Legislative Council and the Governor.

The bill makes technical changes.

Effective Date: July 1, 2014.

Explanation of State Expenditures: (Revised) *Study Committee Topic:* This bill urges the Legislative Council to assign the topic of the technology used to determine the elevation or depth, or both, of underground facilities to a study committee during the 2014 interim. If a committee designated by the Legislative Council were to hold additional meetings to address the topics within the bill, there would be additional expenditures for legislator per diem and travel reimbursement for the committee members. Any additional expenditures must be within the committee's budget, which is established by the Legislative Council.

Interim study committees operate on budgets established by the Legislative Council based on committee size. Legislative Council resolutions in the past have established budgets for interim study committees in the amount of \$9,500 per interim for committees with fewer than 16 members and \$16,500 for committees with 16 members or more.

Explanation of State Revenues:

Explanation of Local Expenditures: (Revised) *Location of Underground Facilities:* The bill's requirements concerning the location of underground facilities could increase workload for municipal utilities to the extent that onsite assistance is requested by the person responsible for the excavation or demolition.

Notice of Excavation or Demolition: This bill also clarifies current law by providing that notices of excavation or demolition expire 20 days after the date the notice is submitted to the Underground Plant Protection Service. Current law specifies that notices must be received at least two full working days but no more than 20 calendar days before the commencement of the work. Thus, any impact on the workload of municipal utilities from this provision should be minimal.

Additional Information - This bill requires operators of underground utility facilities to provide facility locate markings if excavation or demolition is not complete at any part of the site after 20 days following notices being submitted. Excavation or demolition would not be allowed to continue until a new locate request is submitted to the Underground Plant Protection Service and facility locate markings are provided by affected operators.

Explanation of Local Revenues:

State Agencies Affected: Legislative Council.

Local Agencies Affected: Municipal utilities.

Information Sources: Chuck Muller, Indiana 811, 317-893-1404.

Fiscal Analyst: Jessica Harmon, 317-232-9854.